

**STATEMENT OF CHARLES F. MONEYPENNY BEFORE THE
SENATE COMMITTEE ON COMMERCE, SCIENCE AND
TRANSPORTATION**

MARCH 14, 2002

Good morning, Mr. Chairman and members of the Committee. Thank you for the opportunity to appear before the Committee and present testimony concerning S.1991, the National Defense Rail Act, and the future of national passenger rail service.

My name is Charlie Moneypenny. I am the Director of the Railroad Division for the Transport Workers Union of America, and I have most recently served as the labor member of the Amtrak Reform Council. This is my 30th year in the railroad industry, and more than 25 of them have been with Amtrak as either an employee or union representative.

Let me begin by saying that Rail Labor applauds you, Mr. Chairman, for the boldness and vision of your bill, S.1991. I have been, as I said, involved with Amtrak, both as a worker and a union representative, since the railroad opened its doors for business in Boston more than a quarter-century ago. In that time, yours is the first piece of legislation I have seen which addresses the real problem facing national passenger rail service in this country. Amtrak's problem today is the same problem that has always plagued Amtrak: lack of funding. Rail labor looks forward to working with you and other responsible parties to give this country the quality of passenger rail service it needs and deserves.

We hope that this Committee is not distracted by the efforts of some to blame either labor or management for the current Amtrak crisis. Five years ago, in the midst of another Amtrak crisis, Congress decided that Amtrak's problems could be solved by attacking Amtrak workers. Accordingly, labor protections which Amtrak workers had enjoyed throughout the railroad's history, and which are standard in the industry, were removed from the law and our contracts made the subject of a collective bargaining process which would, if necessary, end in binding arbitration. Restrictions against contracting out were also taken out of the law and made the subject of negotiations. This, some assured us, would fix Amtrak's problems.

Five years later, Amtrak's problems are worse than ever. This time, not even an outfit as rabidly anti-Amtrak as the so-called Amtrak Reform Council can find fault with Amtrak's workers. The Council, in fact, recommends that, should another carrier take over Amtrak service, the current workforce should follow their work, in seniority order, with their collective bargaining agreements intact. This time, we're told, the problem is Amtrak management.

No manager in particular seems to be the problem. Amtrak's departing President, George Warrington is, in fact, praised by most members of Congress and indeed even by many members of the Reform Council. Vague allegations of a bad 'corporate culture' are now introduced as evidence that the problem of passenger rail can be fixed by a new management team or teams. Having been the victim of this sort of witch hunt five years ago, Rail Labor declines the opportunity to point the finger at Amtrak management as the source of the problem. Again, the Chairman's bill correctly identifies, and more importantly, offers solutions to the real problem, lack of funding.

We also hope that this Committee will ignore the siren song of privatization. Passenger rail service *was* privatized in this country. That's how Amtrak came to exist. The freight railroads providing the service begged President Nixon to relieve them of what the ARC called, "the burden" of providing passenger rail service. Not one of those freight railroads, which the ARC called "the best in the world" have stepped forward to say they'd like to get back into the business of passenger service. And in its four years of existence, the Amtrak Reform Council was unable to identify even one company that runs a passenger train anywhere in this country willing to step in as Amtrak's successor.

We know there are some folks out there who say they'd like to take a crack at running passenger rail service. They may not have any employees, they may not have any experience, they may not even exist as companies yet, but, we're assured, give them enough money and they'll try to do the job. That's not very comforting to us, and it probably wouldn't be too comforting to our customers either.

I can testify from personal experience, Mr. Chairman, about the dark side of privatization. Several years ago, the Massachusetts Bay Transportation Authority (MBTA), in my home state, decided to contract out maintenance work which had been done by Amtrak employees. The MBTA awarded the contract to a company which was literally created for the purpose of bidding on this contract. This company had no mechanics, no office, no telephone or fax machine. In fact, when testifying before a Senate Committee two years ago, this shadow company's representative responded in classic fashion to a question from Senator Kerry. Senator Kerry asked the witness if it was true that when they were awarded the contract, they had two employees. The witness responded, "Yes, roughly."

This shadow company had a simple plan to get a workforce. They planned to break the unions. Threatening letters were sent to workers' homes telling them they had no choice but to accept the wages and working conditions which the new company intended to impose. Wages would be cut, work rules eliminated, seniority discarded, and pensions stolen. Memoranda passed between the two employees of the shadow company warned against hiring those with "union sympathies." Unfortunately for this two man gang, there were way too many workers with "union sympathies." Not one worker applied for a job with the company that wanted to break their unions, and , unable to produce a qualified workforce, the would-be union busters lost the contract. It was a stunning example of union solidarity and, we hope, a strong message to those who would seek to gain profits by siphoning them from our members' pockets.

Finally, let me say a word about Amtrak's employees. It is a simple fact that Amtrak would not exist today without the sacrifices made by the men and women who make the trains run. Amtrak's employees are working every day under contracts which expired more than two years ago. Years of wage deferrals, wage freezes, job cuts, etc., have made Amtrak workers the lowest paid workforce in the industry. We hope, Mr. Chairman, that your bill marks the end of the sorry practice of funding a national passenger rail service on the backs of the employees. Our members intend to be a vital part of the future of the national passenger rail system that they have kept alive all these years. We look forward to working with you toward that goal, and I would be happy to answer any questions you might have.